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March 1, 2013

**VIA ECF AND FEDERAL EXPRESS**

The Honorable Ann D. Montgomery  
United States District Court  
13 W U.S. Courthouse  
300 South Fourth Street  
Minneapolis, MN 55415

**Re: US Securities and Exchange Commission v. Quan *et al.*  
Civil Case No. 11-723 ADM/JSM**

Dear Judge Montgomery:

We are counsel in the above-captioned action to Intervenor Topwater Exclusive Fund III, LLC, Freestone Low Volatility Partners, LP, and Freestone Low Volatility Qualified Partners, LP (collectively, the “Preferred Investors”) and we write regarding the Preferred Investors’ Motion To: (1) Intervene And (2) Modify Order Appointing Receiver (the “Motion”), which we filed on February 7, 2013 (Doc. Nos. 220 – 222). On February 21, 2013, Your Honor permitted the Preferred Investors to file a brief in response to the memorandum filed by the SEC in opposition to the Motion, which the SEC filed on February 14, 2013 (Doc. No. 228). At that time, the SEC was the only party to file a timely opposition brief.

On February 26, 2013, the Receiver filed a memorandum in opposition to the Motion (Doc. No. 235). The Receiver’s memorandum is untimely – it was filed almost two weeks after the deadline and almost one week after the Court permitted the Preferred Investors to respond to the SEC’s memorandum. It also contains certain representations relating to SCAF’s other litigations that we believe warrant a response, among others.

Accordingly, if the Court is inclined to permit the Receiver’s untimely opposition memorandum, the Preferred Investors respectfully request the opportunity to respond to the SEC and the Receiver in one consolidated reply memorandum containing no more than 3000 words. We further request that the Court permit the Preferred Investors to file and serve their consolidated reply memorandum on or before until March 14, 2013.



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Thank you for your consideration of this request.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jonathan T. Shepard", with a long horizontal flourish extending to the right.

Jonathan T. Shepard